FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUN 2 9 2004

Peter Nichols
Assistant Treasurer
Bill Bradley for President, Inc.
P.O. Box 173
Princeton, NJ 08542

RE: MUR 5279
Bill Bradley for President, Inc.

Dear Mr. Nichols:

On June 22, 2004, the Federal Election Commission accepted the signed conciliation agreement submitted on behalf of Bill Bradley for President, Inc., in settlement of a violation of 2 U.S.C. § 441a(f), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Kathleen Dutt
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 5279
Bill Bradley for President, Inc.	)	
and its treasurer	)	
	)	

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Federal Election Commission ("Commission") found reason to believe that Bill Bradley for President and its treasurer, violated provisions of the Federal Election Campaign Act by accepting contributions from partnerships controlled and directed by Charles Kushner ("the Associated Kushner Partnerships").

NOW, THEREFORE, the Commission and the Bill Bradley for President and its treasurer, ("Respondents"), having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:[1]

1. Bill Bradley for President, Inc. is a political committee within the meaning of 2 U.S.C. § 431(4). It was the authorized committee for Bill Bradley's campaign for the Democratic Party's presidential nomination in 2000.

2. Charles Kushner is a New Jersey businessman who operates numerous privately-held real estate and business entities that are held out to the public as being associated with the Kushner Companies, a New Jersey business with offices in Florham Park, New Jersey and New York City, New York. Kushner Companies serves as a trade-name for other privately-held associated business entities, and has no assets, funds or employees of its own.

3. The Associated Kushner Partnerships include partnerships or limited liability companies that have elected to be treated as partnerships for tax purposes and are registered to do business in the State of New Jersey. Each of the Associated Kushner Partnerships owns and/or operates real estate enterprises. Charles Kushner serves or functions as the managing partner or President of a managing entity in the Associated Kushner Partnerships. Mr. Kushner also has a substantial equity interest in the partnerships.

4. The Act prohibits any person from making contributions in excess of $1,000 per candidate per federal election. 2 U.S.C. § 441a(a)(1). The Act also prohibits any person from making more than $25,000 in contributions during any one year. 2 U.S.C. § 441a(a)(3). No

[1] All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended (the "Act"), herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA. All statements of the law in this agreement that are written in the present tense shall be construed to be in either the present or the past tense, as necessary, depending on whether the statement would be modified by the impact of BCRA or the regulations thereunder.

political committee shall knowingly accept any contribution in violation of any provision of Section 441a. 2 U.S.C. § 441a(f).

5. A partnership is a "person" under the Act and thus may make federal political contributions. 2 U.S.C. §§ 431(11). In order to prevent the proliferation of partnerships controlled by the same natural person or group of persons as a means to evade limitations or prohibitions set forth in the Act, all partnership contributions are treated as counting towards both the contribution limit of the partnership and the specific partners to whom portions of the contribution are attributed under 11 C.F.R. § 110.1(e). A contribution from a partnership that is not dually attributed to a partner is made in violation of 2 U.S.C. § 441a.

6. The dual attribution of partnership contributions can be accomplished in one of two ways:

A) Under 11 C.F.R. § 110.1(e)(1), a partnership contribution can be dually attributed in pro rata fashion to each partner in direct proportion to his or her share of the partnership profits, according to instructions which shall be provided by the partnership to the political committee or candidate. This option, however, is not available to any partnership that includes a partner, such as an incorporated entity, that is prohibited from making contributions under the Act.

B) Under 11 C.F.R. § 110.1(e)(2), a partnership contribution also can be dually attributed in a non pro rata fashion:

By agreement of the partners, as long as –

(i) Only the profits of the partners to whom the contributions is attributed are reduced (or losses increased), and

(ii) These partners' profits are reduced (or losses increased) in proportion to the contribution attributed to each of them.

> A contribution by a partnership shall not exceed the limitations on contributions in 11 CFR 110.1 (b), (c) and (d). No portion of such contributions may be made from the profits of a corporation that is a partner. (emphasis added).

7. Contributions that present genuine questions as to their legality may be, within ten days of the treasurer's receipt, either deposited into a campaign depository under 11 C.F.R. § 103.3(a) or returned to the contributor. If any such contribution is deposited, the treasurer shall make his or her best efforts to determine the legality of the contribution. 11 C.F.R. § 103.3(b)(1). If the treasurer determined that at the time a contribution was received and deposited, it did not appear to be illegal, but later discovers that it is illegal based on new evidence not available to the political committee at the time of receipt and deposit, the treasurer shall refund the contribution within thirty days of the date on which the illegality is discovered. 11 C.F.R. § 103.3(b).

8. In January 1999, Respondents received 52 contribution checks totaling $50,000 forwarded with a cover letter from Kushner Companies. The checks were from 50 different partnerships from among the Associated Kushner Partnerships. The contributions were transmitted with instructions to attribute 100% of each partnership contribution to specific individuals that were represented to be partners in that Associated Kushner Partnership. No additional information about the individual partners was provided. Upon reviewing the contributions and consulting with legal counsel, Respondents determined that the lack of additional information about the contributors, and the common signatory on each of the checks was significantly unusual that it needed further information before it could accept the contributions. Respondents contacted the Kushner Companies and attempted to obtain the additional information about each of the individual contributors. Respondents were unsuccessful in obtaining such information and therefore returned the contributions to Kushner Companies.

9. During the Spring of 1999, following the return of the contributions, Respondents continued their discussions with representatives from Kushner Companies. Kushner Companies represented the funds came from partnership, rather than corporate accounts. Respondents insisted that signatures of each contributor must be obtained in order for Respondents to accept the contributions. The Kushner Companies represented that they did not have to provide individual partner signatures with each partnership contribution, and represented that they had consulted an attorney to confirm that Respondents had all of the information that it needed in order to accept the contributions. The Kushner Companies represented that the broad authority granted to the managing partner of each of the individual partnerships allowed him to make contributions on behalf of the partnerships and to attribute the contributions to specific individual partners. Respondents again consulted with their own counsel as to whether it was permissible to accept contributions from the Associated Kushner Partnerships.

10. On June 22, 1999, Respondents met with a representative of the Kushner Companies to discuss an offer of 41 contribution checks totaling $40,000. The Respondent's counsel participated in the meeting via telephone. After eliciting information/explanation regarding the contributors' positions in the various partnerships, the nature of the partnerships and the reason for a common signatory for each of the partnerships, Respondents contend that it was advised by its counsel that it was permissible to accept the contributions under the Act. Upon receiving advice of counsel, Respondents accepted 41 contribution checks totaling $40,000. The checks were from 40 different partnerships from among the Associated Kushner Partnerships. Each check had a common signatory. The contributions were transmitted with a list of individual partners in Associated Kushner Partnerships to whom the contributions were to be attributed. No additional information about the individual contributors was provided. Respondents deposited

the checks on June 25, 1999. Subsequently, the Respondents determined that two contributions totaling $2,000 were made in excess of the contribution limitations of two partners to whom contributions had been attributed, and refunded the two contributions.

11. In July and August of 1999, Respondents attempted to obtain from each individual partner whose name appeared on the attribution list that accompanied the contributions, a statement affirming the contribution. The requests for these statements were sent to the Kushner Companies. Respondents state that the purpose of obtaining this information was to determine whether these contributions were eligible for presidential matching funds. Despite multiple attempts, Respondents were able to obtain signed statements from only four of the individual partners. Respondents contend that it again consulted with its counsel, who informed Respondents that it was permissible to accept the contributions under the Act. Accordingly, Respondents did not refund any additional Kushner Associated Partnership contributions.

12. In the summer of 2001, after these contributions were questioned during a Commission audit of the Committee, the Kushner Companies represented that they were obtaining after-the-fact ratifications for the attribution of the June 1999 partnership contributions. The Commission does not view theses untimely after-the-fact ratifications as meeting the pre-attribution "agreement" requirement set forth in 11 C.F.R. § 110.1(e)(2). Pursuant to a request from Kushner Companies, Respondents subsequently refunded an additional $4,000 in contributions that had been attributed to partners who refused to sign these after-the-ratifications.

13. A Commission investigation has subsequently determined that many of the individual partners of the Associated Kushner Partnerships had not agreed to the 100% attribution of the partnership contributions.

14. Respondents maintains that they acted at all times in reliance on advice as to an interpretation of the law provided to them by the Kushner Companies and affirmed by their own legal counsel, and at all times believed that their actions in accepting and depositing the contributions were in compliance with all applicable laws and regulations.

V. 1. Bill Bradley for President Inc. accepted contributions that were not properly attributed through an agreement of the individual partners pursuant to 11 C.F.R. § 110.1(e)(2), and consequently violated 2 U.S.C. § 441a(f).

2. Respondents will cease and desist from violating 2 U.S.C. § 441a(f).

VI. Respondents, in response to this proceeding, have made a payment to the Federal Election Commission of Sixteen Thousand Four Hundred and Forty-five dollars ($16,445) pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence H. Norton
General Counsel

BY: Rhonda J. Vosdingh
Associate General Counsel
for Enforcement

6/23/04
Date

FOR THE RESPONDENTS:

Richard Wright
Secretary of Bill Bradley for President Inc.

June 16, 2004